Rich's, Inc. Annual Report 1973

fiscal year ended February 2, 1974

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cover

Rich's, Cumberland Mall photographed by Charlie Lathem, Graphic Associates.

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meeting

The annual meeting of the shareholders of Rich's, Inc., will be held in the Auditorium on the Plaza Floor of the Store for Homes, adjacent to and connected with the corporate offices at 45 Broad Street, S.W., Atlanta, Georgia, on Wednesday, May 22, 1974, at 10 A.M. prevailing local time. All shareholders are invited to attend.

financial highlights

	Fifty-two weeks ended February 2, 1974	Fifty-three weeks ended February 3, 1973
From the Earnings Statement		
Net Sales	$284,065,000	$260,670,000
Percentage Increase	9.0%	14.1%
Earnings Before Taxes	21,571,000	22,857,000
Earnings After Taxes	11,022,000	11,398,000
Earnings Per Share of Common—Primary	2.68	2.78
Earnings Per Share of Common—Fully Diluted	2.62	2.69
Common Dividends Paid	4,522,000	4,146,000
Dividends Per Share	1.10	1.01
Earnings Retained in Company	6,500,000	7,252,000
Return on Common Equity	11.82%	13.22%
From the Balance Sheet		
Working Capital	$ 76,093,000	$ 71,846,000
Ratio of Current Assets to Current Liabilities	3.2	3.2
Expenditures for Property and Equipment	11,584,000	7,290,000
Long-Term Debt	29,405,000	30,204,000
Common Stockholders' Investment	96,522,000	89,933,000
Book Value Per Share of Common	23.48	21.89
Number of Common Shares Outstanding	4,111,635	4,107,598
Total Number of Common Stockholders	4,375	4,315

letter to the stockholders

In 1973 sales were $284,065,000, compared with $260,670,000 in 1972, an increase of 9%. These figures include all Rich's department stores and the Richway discount division for the 52 weeks ended February 2, 1974, versus 53 weeks of fiscal year 1972.

Net earnings were $11,022,000 compared with $11,398,000 last year, or $2.68 a share this year compared with the prior year's $2.78 a share. Reduction in profit was due primarily to pre-opening expenses for new stores. These pre-opening expenses reduced net earnings in 1973 by 19 cents per share. Comparable expenses in 1972 were 5 cents a share.

The dividend rate was increased 12 cents on an annual basis to $1.16 per share beginning with the quarterly payment made on November 1, 1973. Total cash dividends amounted to $4,522,000 in 1973 and $4,146,000 in 1972.

The record sales level of 1973 could not have been reached without the dedicated day-to-day efforts of Rich's employees on the selling floor and their counterparts behind the scenes who work together to accomplish our basic common goal . . . service to our customers.

We wish to recognize also the performance of Rich's management team. In the exercise of their responsibilities of providing proper merchandise assortments and controlling operating expenses, they were faced with several challenges in 1973. Two of major importance were operation of the business under Phase IV of the Economic Stabilization Act and rapid adjustment to the change in business conditions precipitated by the energy crisis. They are to be congratulated on the skill and professionalism with which they met these challenges.

In August of 1973, Rich's Cumberland Mall was opened. This facility of about 200,000 square feet, is part of one of the most luxurious malls in the area, and, from the day of opening, Rich's Cumberland Mall, our ninth Atlanta store, has generated sales volume that has lived up to our expectations.

Early in 1974, II, a division of Rich's opened in Peachtree Center. II is a sportswear boutique catering to the 20 to 35 year old segment of our population, both men and women. Later this year the second II will open in Colony Square.

Construction is well under way on Rich's tenth department store in the new Brookwood Village Mall in Birmingham, Alabama. The store, scheduled to open in August, will be managed by a cadre of skilled employees from our present organization.

Two Richway stores opened in Charlotte, North Carolina, in September 1973 and two more are scheduled for the Atlanta area in August of this year . . . Store #8 on Holcombe Bridge Road in Roswell and Store #9 on Tara Boulevard in Jonesboro.

While predictions for the near-term outlook in the domestic economy are relatively flat, we believe that our operations have been adjusted in line with this level of business activity without impairing the continued development of the management and supporting personnel, thus enabling them to help Rich's participate fully in any future market growth.

April 3, 1974

Harold Brockey,
Chairman of the Board

Joel Goldberg,
President

planning for responsible growth

In our last year's Annual Report, the subject was growth—responsible growth. This is a brief review of what our growth will be in the immediate future. By Summer of 1974, Rich's nine department stores will have grown to ten, with the opening of Rich's in Birmingham, Alabama. Richway will number 9 with two new stores in Charlotte, North Carolina, opened in 1973 and the two new Atlanta stores in 1974. And the second Rich's II, our venture into the sportswear boutique field, will be opened at Colony Square. And at the same time, our Bake Shops will have multiplied to 11. That's Rich's on the grow, serving the Company by serving the needs of both customer and community in the best Rich's manner.

TENNESSEE
NORTH
Richway
Charlotte
Richway
I-75
I-85
I-285
I-20
Birmingham
Rich's
Augusta
ATLANTA
I-85
I-75
ALABAMA
GEORGIA
FLORIDA
RICH'S
1. Downtown
2. Lenox
3. Belvedere
4. Cobb
5. North DeKalb
6. Greenbriar
7. South DeKalb
8. Perimeter
9. Cumberland
10. Outlet Home Store-Warehouse
RICH'S II
1. Peachtree Center
2. Colony Square
RICHWAY
1. Covington Highway
2. Windy Hill Road
3. Old National Highway
4. Jonesboro Road
5. North Druid Hills Road
6. Roswell
7. Arrowhead
RICH'S BAKE SHOPS
(Other than those in RICH'S or RICHWAY stores)
1. Sandy Springs
2. Forest Park
3. Pinetree Plaza
4. Peachtree Battle
5. West Paces Ferry
6. Toco Hills
7. Mableton
8. Moores Mill
9. New London
10. East Point
11. Riverdale

RICHS

Cumberland Mall

Rich's Cumberland Mall, opened in August of 1973, shows the result of planned growth. In choosing the site, population projections were studied and Cobb County met our requirements for potential development. Cumberland Mall was selected because of its location in relationship to populated areas and existing highways and roads. The store was carefully planned to include just about all that an old or new Rich's customer could want, carefully stocked with an eye to the living patterns of our potential customers—apartment complex dwellers in abundance, plus single-family home owners—then staffed with equal care. The result: one of our most successful units to date, a worthwhile addition to the Rich's family.

Birmingham, Alabama is a city of great potential. Born with many of the same advantages as Atlanta—primarily the railroad—Birmingham is now enjoying a period of dynamic growth such as has been experienced by Atlanta in the last ten years or so. What better place for Rich's, the store that knows from experience what growing means.

Birmingham

Louis L. Kennedy,
Vice President,
General Manager,
Birmingham Division

and Rich's

Rich's Birmingham store, to open in early August of 1974, will be a treat for the town—a complete department store that will feature wide choices of the choice, the cream of Rich's crop of personal services, plus Rich's welcome ways with customers. Brookwood Village Mall is the place—and this Rich's might well be the first of many Rich's outside Georgia.

Rich's believes in Downtown

In the Fall of 1973, Rich's made its point of view completely clear with a series of six ads in the Atlanta newspapers. Rich's believes in Downtown" was the lead idea in the first four ads, stressing all that Rich's Downtown offers. The last two played up the possible future, of the Downtown area—new office buildings, thousands of additional hotel rooms, MARTA, malls, apartment buildings and more. We assured our town "Downtown just wouldn't be Downtown without Rich's. We've been here for well over a hundred years, and we're here to stay. For sure."

Richard H. Rich, Chairman
of the Executive Committee

Until the last few years, discount stores have been foreign to the operational habits of regular department stores. But the need for such stores is evident by their popularity in today's consumer buying pattern. So Rich's entered the field, but with certain criteria in mind. First, to give our customers the price advantages of discount shopping without giving up such things as wide assortments and recognized brands, and, second, to offer them discount shopping with the stability of a concerned organization behind it. And in 4 years, Richway has proved its worth, with five stores in Atlanta, two in Charlotte, N.C., and two more to open in Atlanta this year.

Richway

Thank
You

Richway

RICH'S
BAKE SHOP

RICH'S
SERVICE
CENTER

growing with the Southeast

Rich's has always endeavored to be a good neighbor. No small part of this neighborliness has been Rich's encouragement of its employees' civic and charitable activities. As Rich's expands its sphere of influence beyond Atlanta—Birmingham in the very near future—Charlotte for Richway—being a good citizen of the community becomes more and more important. For Rich's does not depend on its built-in reputation for success, but must continue to reinforce our reputation in every way possible. We have taken a lead in involvement in the past, and made friends for it. In years to come, friends will surely be our best asset wherever we go in the building, burgeoning Southeast.

Rich's II, or II, a division of Rich's (its official name), is an exciting innovation for Rich's—a departure into the realm of boutiques. Our point—to present the best at its best. Sportswear for the affluent man and woman who demands the personal, intimate atmosphere found in a smaller shop. March 1974 saw the opening of our first II, in Peachtree Center, Summer 1974 will see us in Colony Square. And that's just the beginning!

Rich's II

Rich's, Inc. Financial Statements

balance sheet

	February 2, 1974	February 3, 1973
ASSETS		
CURRENT ASSETS:		
Cash	$ 3,190,000	$ 5,759,000
Investments in commercial paper, at cost, which approximates market	2,750,000	7,754,000
Customer receivables, less allowance for doubtful accounts of $1,973,000 in 1974 and $1,793,000 in 1973	59,524,000	53,782,000
Other notes and accounts receivable	3,753,000	2,428,000
Merchandise inventories (Note 1)	39,181,000	32,739,000
Prepaid expenses and other	1,855,000	2,137,000
total current assets	110,253,000	104,599,000
OTHER ASSETS:		
Certificates of deposit, set aside for property and equipment additions	2,500,000	7,000,000
Real estate, acquired for future development, at cost	2,818,000	2,937,000
	5,318,000	9,937,000
PROPERTY AND EQUIPMENT, at cost:		
Land	3,123,000	2,839,000
Store buildings and improvements	43,687,000	39,488,000
Fixtures and equipment	28,802,000	25,174,000
	75,612,000	67,501,000
Less—Accumulated depreciation and amortization (Note 1)	25,928,000	24,442,000
	49,684,000	43,059,000
	$165,255,000	$157,595,000
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Accounts payable	$ 14,464,000	$ 13,645,000
Accrued expenses	8,080,000	7,902,000
Federal and state income taxes (Note 1)—		
Current	2,047,000	2,308,000
Deferred	8,405,000	7,874,000
Current maturities of long-term debt	1,164,000	1,024,000
total current liabilities	34,160,000	32,753,000
LONG-TERM DEBT, less current maturities (Note 2)	29,405,000	30,204,000
DEFERRED INCOME TAXES (Note 1)	5,168,000	4,705,000
COMMITMENTS (Note 5)		
STOCKHOLDERS' INVESTMENT (Notes 2 and 3):		
Common stock, no par value, authorized 6,000,000 shares	10,004,000	9,915,000
Paid-in capital	869,000	869,000
Retained earnings	85,649,000	79,149,000
total stockholders' investment	96,522,000	89,933,000
	$165,255,000	$157,595,000

The accompanying notes are an integral part of this statement.

statement of earnings

	Fiscal Year Ended February 2, 1974 (Fifty-two Week Period)	Fiscal Year Ended February 3, 1973 (Fifty-three Week Period)
NET SALES, including leased departments	$284,065,000	$260,670,000
COSTS AND EXPENSES:		
Cost of sales, including buying and occupancy costs	192,013,000	176,009,000
Selling, general and administrative expenses	68,564,000	59,808,000
Interest	1,917,000	1,996,000
	262,494,000	237,813,000
EARNINGS BEFORE INCOME TAXES	21,571,000	22,857,000
PROVISION FOR INCOME TAXES (Note 1)	10,549,000	11,459,000
NET EARNINGS	$ 11,022,000	$ 11,398,000
EARNINGS PER SHARE (Note 1):		
Primary	$2.68	$2.78
Fully diluted	$2.62	$2.69

The accompanying notes are an integral part of this statement.

statement of changes in stockholders' investment

	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings
BALANCE, January 29, 1972	4,101,903	$ 9,789,000	$869,000	$71,897,000
Net earnings				11,398,000
Cash dividends ($1.01 per share)				(4,146,000)
Common stock issued upon exercise of options (Note 3)	5,695	126,000		
BALANCE, February 3, 1973	4,107,598	9,915,000	869,000	79,149,000
Net earnings				11,022,000
Cash dividends ($1.10 per share)				(4,522,000)
Common stock issued upon exercise of options (Note 3)	4,037	89,000		
BALANCE, February 2, 1974 (Notes 2 and 3)	4,111,635	$10,004,000	$869,000	$85,649,000

The accompanying notes are an integral part of this statement.

statement of changes in financial position

	Fiscal Year Ended February 2, 1974 (Fifty-two Week Period)	Fiscal Year Ended February 3, 1973 (Fifty-three Week Period)
FINANCIAL RESOURCES WERE PROVIDED BY:		
Operations—		
Net earnings	$11,022,000	$11,398,000
Items not requiring outlay of financial resources in the current period—		
Depreciation and amortization (Note 1)	4,959,000	4,364,000
Increase in deferred income taxes (Note 1)	994,000	1,675,000
Financial resources provided from operations	16,975,000	17,437,000
Increase in current liabilities	876,000	738,000
Decrease in prepaid expenses and other assets	401,000	457,000
Additional long-term debt	365,000	—
Changes in capital stock	89,000	126,000
Decrease in cash and cash investments	12,073,000	23,000
	$30,779,000	$18,781,000
FINANCIAL RESOURCES WERE USED FOR:		
Additions to property and equipment, net	$11,584,000	$7,290,000
Increase in merchandise inventories	6,442,000	2,901,000
Increase in customer receivables	5,742,000	1,405,000
Cash dividends	4,522,000	4,146,000
Increase in other receivables	1,325,000	1,741,000
Repayment of long-term debt	1,164,000	1,298,000
	$30,779,000	$18,781,000

The accompanying notes are an integral part of this statement.

notes to financial statements FEBRUARY 2, 1974

1. STATEMENT OF MAJOR ACCOUNTING POLICIES:

inventories

Inventories are accumulated primarily using the retail inventory method which involves pricing of individual items at current selling prices and the reduction of the amounts so determined to the lower of cost (on a first-in, first-out basis) or market by the application of departmental markup ratios.

depreciation, amortization and capitalization policy

Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets. The range of annual depreciation percentages is as follows: buildings and improvements—primarily 2-10%; fixtures and equipment—primarily 12.5%; leasehold improvements—the lesser of the estimated life of the property or the term of the lease.

All items of maintenance and repairs are charged directly to earnings. Renewals and betterments of fixed assets are charged to property and equipment accounts. Upon retirement or other disposition of property, the cost is removed from the property accounts and the depreciation or amortization previously provided thereon is removed from the accumulated depreciation and amortization accounts. Gains or losses on such retirements are included in earnings.

income taxes

	1974	1973
Taxes estimated to be payable currently—		
Federal	$ 8,376,000	$ 8,593,000
State	1,179,000	1,191,000
Total	9,555,000	9,784,000
Tax effect of timing differences—		
Federal	877,000	1,476,000
State	117,000	199,000
Total	994,000	1,675,000
Total provision for income taxes—		
Federal	9,253,000	10,069,000
State	1,296,000	1,390,000
Total	$10,549,000	$11,459,000

It is the Company's policy to provide for all income taxes on the basis of book earnings. The tax effect of timing differences results primarily from differences in the recognition of revenue and expense for tax and financial statement purposes. The sources of these differences and the tax effect of each were as follows:

	1974	1973
Sales reported currently for book purposes and under the installment method for tax purposes	$868,000	$ 508,000
Excess of tax over book depreciation	557,000	871,000
Difference between book and tax provision for bad debts	(44,000)	371,000
Other	(387,000)	(75,000)
	$994,000	$1,675,000

The cumulative tax effect of timing differences is reflected in current liabilities for the installment method of reporting sales and other items, and in "Deferred Income Taxes" for the excess of tax over book depreciation.

The total provision for income taxes was more than the amount computed by applying the statutory Federal income tax rate of 48% to earnings before income taxes for the following reasons:

	1974	1973
Provision for income taxes at statutory rate	48.0%	48.0%
Increases (reductions) in taxes resulting from—		
State income taxes, net of Federal income tax benefit	3.1	3.2
Investment tax credits, net of recapture	(2.1)	(1.1)
Other	(.1)	—
Provision for income taxes	48.9%	50.1%

Investment tax credits ($445,000 in 1974 and $242,000 in 1973) are accounted for as reductions of taxes estimated to be payable currently.

pre-opening expenses

Non-capital expenditures incurred in connection with the opening of new stores are charged to expense during the same fiscal year.

service charges and credit losses

Customer service charges are computed on the monthly receivable balance and are recorded as income when billed. The income and related expenses are included in selling, general and administrative expenses in the accompanying Statement of Earnings. The amount of revenue for customer service charges was not material in relation to total revenues for the periods ended February 2, 1974, and February 3, 1973.

Provision for credit losses on customer accounts is made in amounts required to maintain adequate reserves to cover estimated losses. Customer accounts are charged to the reserve if payments are not received within a specified period of time or if other events indicate that the account is uncollectible.

earnings per share

Primary earnings per share has been computed based on the weighted average number of common shares outstanding during each year. The effect of stock options, as common stock equivalents, had no material dilutive effect during either year. Fully diluted earnings per share has been determined assuming the conversion of convertible notes and exercise of stock options as of the beginning of each fiscal year.

2. LONG-TERM DEBT:

Long-term debt, due in annual installments unless otherwise indicated, at February 2, 1974, and February 3, 1973, consisted of the following:

	1974	1973
7.35%, due from 1978 to 1997	$18,000,000	$18,000,000
3.9%, $274,000 due to 1979, with the balance due in 1980	2,904,000	3,178,000
4.6%, due to 1983	2,960,000	3,200,000
5%, due to 1986	3,220,000	3,290,000
4.875%, due to 1982	2,720,000	2,960,000
4.25%, due to 1975	400,000	600,000
Other	365,000	—
	30,569,000	31,228,000
Less—Amount due within one year	1,164,000	1,024,000
	$29,405,000	$30,204,000

The various debt agreements place certain restrictions on borrowings, acquisitions, disposition of property, payment of cash dividends and acquisition of the Company's stock. Under the most restrictive provisions of the Company's long-term debt agreements, $56,181,000 of retained earnings at February 2, 1974, was not available for payment of cash dividends or acquisition by the Company of its common stock.

The 3.9% notes are convertible into common stock of the Company at $33.33 per share through February 1, 1975, and at $38.33 thereafter through February 1, 1980. At February 2, 1974, 87,129 shares of common stock have been reserved for this conversion privilege.

The Company had unused lines of credit, established under informal agreements with various banks, totaling $13,000,000 and $12,000,000 at February 2, 1974, and February 3, 1973, respectively. Each of the lines can be withdrawn at the option of the banks.

3. STOCK OPTIONS:

The Company has 1965 and 1972 Qualified Stock Option Plans for which 182,368 shares of common stock are reserved for options to officers and key employees. Information relative to the plans for 1974 and 1973 is as follows:

	Number of Shares	
	1974	1973
Outstanding, beginning of year	98,750	81,015
Options granted ($32.00-$42.00 per share in 1974 and $40.75 per share in 1973)	135,155	30,705
Options canceled ($22.00-$42.00 per share in 1974 and $22.00 per share in 1973)	(73,657)	(7,275)
Options exercised ($22.00 per share)	(4,037)	(5,695)
Outstanding, end of year	156,211	98,750
Exercisable, end of year ($22.00 per share)	9,894	6,683

4. RETIREMENT PLANS:

The Company has a trusteed pension plan and a profit-sharing savings plan covering substantially all eligible employees.

Pension expense ($1,455,000 in 1974 and $1,341,000 in 1973) is determined by actuarial computations, using the entry age normal cost method. The Company's policy is to fund pension plan costs accrued. At February 2, 1974, vested benefits of the employees under the plan did not exceed pension fund assets.

The Company's contribution to the profit-sharing savings plan can be no less than 15% and no greater than 50% of the participants' mandatory deposits so long as the plan is in existence. Under the plan, the participants' mandatory deposits can be no less than 2% and no greater than 5% of the participants' earnings. The contribution, which is charged to expense currently, for 1974 and 1973 was $317,000 and $271,000, respectively.

5. LEASE COMMITMENTS:

The Company has leased certain store and warehouse facilities under net lease agreements expiring substantially through 2003. Rental expense for the periods ended February 2, 1974, and February 3, 1973, was:

	1974	1973
Store and warehouse leases—		
Noncaptalized financing leases	$2,077,000	$1,905,000
Other	296,000	296,000
Other rentals	80,000	73,000
	$2,453,000	$2,274,000

The present value of the Company's fixed minimum lease commitments under financing leases (as defined by SEC regulations) was $27,182,000 and $23,481,000 at February 2, 1974, and February 3, 1973, respectively. The weighted average interest rates and the range of interest rates used in the above present value computations were 8.7% and 8.4%, and 5.5% to 10%, respectively, at February 2, 1974, and February 3, 1973.

The effect on net earnings assuming financing leases had been capitalized and the related lease rights had been amortized on a straight-line basis and interest cost had been accrued on the basis of the outstanding lease liability would have been as follows:

	1974	1973
Decrease in net earnings had financing leases been capitalized	$ 347,000	$ 326,000

As of February 2, 1974, the remaining lease payments were due as follows:

Period	Approximate Amount	Period	Approximate Amount
Year ended		Five years ended	
1975	$3,018,000	1984	15,674,000
1976	3,121,000	1989	14,264,000
1977	3,134,000	1994	12,693,000
1978	3,134,000	Subsequent to 1994	9,883,000
1979	3,134,000		

The leases of the Company contain various renewal options extending through 2049.

auditors' report

To the Board of Directors
and Stockholders of
Rich's, Inc.:

We have examined the balance sheet of Rich's, Inc. (a Delaware corporation) as of February 2, 1974, and February 3, 1973, and the related statements of earnings, changes in stockholders' investment and changes in financial position for the periods then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of Rich's, Inc. as of February 2, 1974, and February 3, 1973, and the results of its operations and changes in its financial position for the periods then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Arthur Andersen & Co

Atlanta, Georgia,
April 3, 1974.

ten-year history of financial highlights

(000 omitted)	Fifty-two weeks ended February 2, 1974	Fifty-three weeks ended February 3, 1973	Fifty-two weeks ended January 29, 1972	Fifty-two weeks ended January 30, 1971
FROM THE EARNINGS STATEMENT				
Net Sales	$284,065	$260,670	$228,551	$205,168
Percentage Increase	9.0%	14.1%	11.4%	10.1%
Earnings Before Taxes	21,571	22,857	18,629	17,741
Earnings After Taxes[1]	11,022	11,398	9,366	9,533
Earnings Per Share of Common[1,2]—				
Primary	2.68	2.78	2.28	2.33
Common Dividends Paid	4,522	4,146	3,998	3,952
Dividends Per Share[2]	1.10	1.01	.98	.97
Earnings Retained in Company	6,500	7,252	5,368	5,581
Return on Common Equity	11.82%	13.22%	11.74%	12.85%
FROM THE BALANCE SHEET				
Working Capital	$ 76,093	$ 71,846	$ 65,495	$ 53,233
Ratio of Current Assets to Current Liabilities	3.2	3.2	3.1	2.6
Expenditures for Property and Equipment	11,584	7,290	7,559	4,349
Long-Term Debt	29,405	30,204	31,502	14,526
Common Stockholders' Investment	96,522	89,933	82,555	77,055
Book Value Per Share of Common[2]	23.48	21.89	20.13	18.85
Number of Common Shares Outstanding[2]	4,112	4,108	4,102	4,089
Total Number of Common Stockholders	4,375	4,315	4,268	4,444

[1]Includes an extraordinary charge of $420,071 or $.16 per share for year ended January 29, 1966, and extraordinary credits of $134,034 or $.03 per share for year ended January 29, 1972; $991,341 or $.36 per share for year ended January 30, 1971; $748,200 or $.27 per share for year ended February 1, 1969; $820,000 or $.31 per share for year ended January 30, 1965.

[2]Data adjusted for comparative purposes to reflect three-for-two stock split effected in the years ended January 29, 1972 and January 30, 1965.

Transfer Agent: Trust Company of Georgia, Atlanta, Georgia
Registrar: The Citizens and Southern National Bank, Atlanta, Georgia
Legal Counsel: King and Spalding, Atlanta, Georgia
Certified Public Accountants: Arthur Andersen & Co., Atlanta, Georgia

Fifty-two weeks ended January 31, 1970	Fifty-two weeks ended February 1, 1969	Fifty-three weeks ended February 3, 1968	Fifty-two weeks ended January 28, 1967	Fifty-two weeks ended January 29, 1966	Fifty-two weeks ended January 30, 1965
$186,391	$172,052	$159,204	$148,023	$131,153	$116,014
8.3%	8.1%	7.6%	12.9%	13.0%	10.0%
19,114	19,396	16,588	14,369	12,942	11,826
8,731	9,512	8,328	7,243	6,224	6,448
2.14	2.34	2.06	1.80	1.54	1.60
3,940	3,656	3,305	2,958	2,676	2,398
.97	.90	.82	.73	.67	.60
4,791	5,856	5,022	4,285	3,521	4,006
12.68%	15.00%	14.39%	13.66%	12.65%	14.20%
$ 46,203	$ 49,749	$ 46,740	$ 43,036	$ 38,255	$ 36,939
2.4	3.1	3.1	3.0	2.9	3.4
8,462	5,404	2,363	4,774	7,211	2,928
15,550	16,315	16,850	17,335	14,320	10,725
71,346	66,408	60,428	55,276	50,810	47,162
17.51	16.35	14.93	13.71	12.65	11.79
4,076	4,063	4,049	4,034	4,017	3,999
4,516	4,448	4,492	4,438	4,354	4,006

board of directors

Ivan Allen, Jr.
Chairman of the Board
Ivan Allen Company

Joseph F. Asher
Retired from Rich's, Inc.

J. Paul Austin
Chairman of the Board
of The Coca-Cola Company

Harold Brockey

Richard A. Denny, Jr.
Partner
King and Spalding

R. Howard Dobbs, Jr.
Chairman of the Board
Life Insurance Company of Georgia

Arnold L. Ducoffe
Director of School of Aerospace
Engineering, Georgia Institute
of Technology

Alvin M. Ferst, Jr.

Ben S. Gilmer
Retired—Former President
American Telephone and
Telegraph Company

Joel Goldberg

Beatrice Hirsch Haas
Partner of Grizzard and Haas

Joseph K. Heyman
Retired—Former Senior
Vice President
Trust Company of Georgia

Jesse Hill, Jr.
President and Chief Officer
Atlanta Life Insurance Company

A. Carl Kotchian
President
Lockheed Aircraft Corporation

Walter M. Mitchell
Retired—Former Chairman Federal
Reserve Bank of Atlanta and
Vice President, Draper Corporation

Louis Montag
Chairman of the Executive Committee
Montag and Caldwell, Inc.

Michael P. Rich

Richard H. Rich

Oscar R. Strauss, Jr.
Selig Manufacturing Company

Bennett F. Tuck, Jr.

John H. Weitnauer, Jr.

corporate officers

Harold Brockey	*Chairman of the Board*
Joel Goldberg	*President*
Richard H. Rich	*Chairman of Executive Committee*
Alvin M. Ferst, Jr.	*Executive Vice President & Treasurer*
John H. Weitnauer, Jr.	*Executive Vice President—Rich's, Inc. and President of Richway*
Bennett F. Tuck, Jr.	*Senior Vice President— Stores*
K. Edward Dye	*Secretary and Assistant Treasurer*
Fred A. Skellie, Jr.	*Assistant Secretary and Assistant Treasurer*

operating officers

Glenn T. Austin
Vice President and
Merchandise Manager

John G. Bradley
Vice President
Control

Leonard Levey
Senior Vice President and
Merchandise Manager

Louis L. Kennedy
Vice President
Birmingham Division

Albert D. Maslia
Senior Vice President and
Merchandise Manager

John W. Miles
Vice President
Sales Promotion

Dudley B. Pope
Vice President
Design and Display

Michael P. Rich
Vice President
Director of Consumer Affairs

Ronald Yabroudy
Vice President
Merchandise and Publicity—
Richway

executive committee

Richard H. Rich, Chairman
Harold Brockey
Joel Goldberg
Alvin M. Ferst, Jr.
Bennett F. Tuck, Jr.
John H. Weitnauer, Jr.

salary committee

Richard H. Rich, Chairman
Harold Brockey
R. Howard Dobbs, Jr.
Walter M. Mitchell
Ben S. Gilmer

finance and audit committee

R. Howard Dobbs, Jr., Chairman
Richard H. Rich
Joseph K. Heyman
Louis Montag
Walter M. Mitchell

The 1973 annual report is printed in two sections. This section contains the financial statements. To open to page 1, unfold the entire section, right to left. The financial section has a perforated cover for easy removal, convenient filing.

RICH'S